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## **STATEMENT OF CHAIRMAN DANIEL K. AKAKA**

### ***Implementation, Improvement, and Sustainability: Management Matters at the Department of Homeland Security***

#### **Hearing Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Senate Committee on Homeland Security and Governmental Affairs**

Implementing and transforming the Department of Homeland Security (DHS) from 22 separate agencies into a cohesive organization has been on the Government Accountability Office's (GAO) high-risk list since the Department's creation nearly eight years ago. This Subcommittee has followed the issue closely.

Unfortunately, progress has been slower than many expected and than any of us would like to see. In some ways, the agency is still struggling to forge a cohesive identity and to truly come together as a unified Department.

In January, GAO will once again update its high-risk list for the new Congress. While GAO has noted great progress in improving management -- and DHS has dedicated tremendous resources to this issue -- I believe more progress will be needed before GAO will remove DHS implementation and transformation from the list.

It is also vitally important that DHS improve the functions within the Management Directorate, under the leadership of Under Secretary for Management Borrás. According to Inspector General and GAO reports, systemic problems remain in important management areas including human capital, acquisition, and financial management.

I have been especially concerned with DHS's over-reliance on service contractors who work side-by-side with Federal employees. Some of these jobs are uncomfortably close to crossing the line into inherently governmental functions, which should only be performed by a Federal employee. I am very pleased with the efforts of the agency, especially the Chief Human Capital Officer, in working to address this issue and right-size the workforce mix. Improving acquisition management is also vital to preventing waste, fraud, and abuse at the Department.

Many high-cost projects have been initiated with too little analysis, planning, and follow-up, costing millions of taxpayer dollars and impacting the agency's mission. One of the most high-profile examples has been the Secure Border Initiative electronic fence, known as SBINet. After long delays, cost overruns, inadequate performance, and frequently-evolving goals, DHS is finally beginning to get this project under control.

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Financial management has also been an ongoing problem since the Department's formation. Many DHS components still use legacy financial management tools from their former agencies. Unfortunately, the Department has never been able to obtain a clean financial audit. The Department has tried to streamline its financial management systems, putting all components on the same system. However, this effort, now known as the Transformation and Systems Consolidation (TASC) has been a difficult one. TASC needs strong oversight, and I hope to hear about the Department's progress on that today.

DHS also must lay the groundwork to sustain good management of the third largest Federal agency. Going forward, DHS must develop a comprehensive management integration plan, including performance measures, to ensure that the agency is meeting mission objectives and continually improving performance.

Already, DHS has taken important steps in planning through its Quadrennial Homeland Security Review and the Bottom-Up review, which the Deputy Secretary took the lead on. These documents reinforced the need to establish metrics, and I hope that the Department will build on those efforts.

Finally, I want to acknowledge that this will likely be our last DHS Management hearing with my good friend, our Ranking Member, Senator Voinovich. I know that this issue has been vitally important to him and I want to thank him for his efforts and say that I intend to continue to monitor this issue in the next Congress. Much of the progress that has been made is due in part to his invaluable leadership here and on the Appropriations Committee.

I also want to thank Deputy Secretary Jane Holl Lute for agreeing to testify at this important hearing. Continued leadership and attention from the highest levels is important to move this issue forward and make DHS one of the best managed agencies in the government.

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